

AMENDED IN SENATE APRIL 26, 2006

SENATE BILL

No. 1513

Introduced by Senator Romero

February 23, 2006

An act to amend Section 13997 of, ~~and to add and repeal Section 13997.5 of,~~ the Government Code, relating to trade and investment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1513, as amended, Romero. Business, Transportation and Housing Agency: trade and investment.

Existing law sets forth the duties and authority of the Secretary of Business, Transportation and Housing generally. The secretary is authorized to accept private sector moneys for the purposes of promoting international trade and investment, subject to specified criteria.

Existing law requires the Governor to direct the secretary to establish, on a contract basis, and to the extent funds are available for that purpose, an international trade and investment office in Yerevan, in the Republic of Armenia.

This bill would additionally ~~authorize~~ *require* the secretary to ~~conduct activities related to domestic and international trade and investment on behalf of the state, including the establishment of study the feasibility and desirability of establishing permanent international trade and investment offices within state government. It would also require, until January 1, 2010, the secretary to establish, on a contract basis, and to the extent funds are available for that purpose, an international trade and investment office in Mexico and 2 international trade and investment offices in Asia~~ *The bill would require the secretary, if he or she finds that there is a need for permanent*

programs, to develop a strategic plan for state involvement in international trade and investment, as specified, and provide the Legislature with the plan by July 1, 2008. The bill would authorize the secretary to establish international trade and investment offices, as specified, upon statutory authorization by the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13997 of the Government Code is
2 amended to read:

3 13997. (a) The Secretary of Business, Transportation and
4 Housing ~~may conduct activities related to domestic and~~
5 ~~international trade and investment on behalf of the state.~~ shall
6 *study the feasibility and desirability of establishing permanent*
7 *international trade and investment programs within state*
8 *government. If the secretary finds there is a need for permanent*
9 *programs, the secretary shall provide the Legislature with a*
10 *strategic plan for state involvement in international trade and*
11 *investment by July 1, 2008. The strategic plan should include at*
12 *least all of the following:*

13 (1) *An examination of the existing international trade and*
14 *investment services provided by state, federal, or private*
15 *programs or organizations, as well as an identification of any*
16 *gaps in those services.*

17 (2) *A recommendation as to whether the state should play a*
18 *role in international trade and investment, and if the state should*
19 *play such a role, an identification of the proposed components.*

20 (3) *A recommendation as to whether state international trade*
21 *and investment assistance should be directed towards a*
22 *particular sector of California's industries or workforce, and if*
23 *so, which sector or sectors.*

24 (4) *A proposal as to how state sponsored international trade*
25 *and investment services provided by the state, federal, or private*
26 *programs or organizations can work together in a coordinated*
27 *effort.*

28 (5) *A proposal as to how state sponsored international trade*
29 *and investment services would serve California's businesses,*
30 *workforce, and overall quality of life of all Californians.*

1 (6) *The estimated costs to the state to facilitate the proposed*
2 *international trade and investment program.*

3 (7) *A proposal as to how the secretary would collaborate with*
4 *the Legislature on international trade agreements in situations*
5 *where the federal government has requested input from the state*
6 *on ongoing trade negotiations.*

7 (8) *An examination of what role, if any, overseas trade and*
8 *investment offices should play in the overall strategic trade and*
9 *investment plan as identified in paragraphs (1) to (5), inclusive.*

10 (b) *In completing the strategic plan identified under*
11 *subdivision (a) the secretary may convene an International Trade*
12 *Partnership Council to provide advice and counsel regarding the*
13 *strategic plan. The council members shall be appointed by the*
14 *secretary to reflect the state's diverse geographic, economic, and*
15 *cultural makeup and should include trade, international law, and*
16 *global economy experts representing export businesses,*
17 *manufacturing, small and medium sized businesses, agriculture*
18 *and small farming, organized labor, human rights organizations,*
19 *environmental organizations, California's universities and*
20 *colleges, law schools and policy institutes, California*
21 *International Trade Development Centers, local World Trade*
22 *Centers, and trade organizations. The council should also*
23 *include bipartisan representation from the Legislature, to the*
24 *extent that participation does not conflict with the Members'*
25 *legislative duties as well as representation from the Department*
26 *of Food and Agriculture, the Labor and Workforce Development*
27 *Agency, and the Travel and Tourism Commission.*

28 (c) *Upon statutory authorization by the Legislature of the*
29 *strategic plan, as provided in subdivision (a), the secretary may*
30 *carry out activities related to domestic and international trade and*
31 *investment on behalf of the state, as identified in the strategic*
32 *plan.*

33 ~~(b)~~
34 (d) *In exercising the authority provided under subdivision (a)*
35 *(c), the secretary may establish international trade and investment*
36 *offices in addition to any authorized under this chapter, in the*
37 *manner and in the locations he or she determines to be in the best*
38 *interests of the state. the secretary may determine there is a need*
39 *for overseas international trade and investment offices. The*

1 *secretary may establish international trade and investment*
2 *offices in the following manner:*

3 *(1) The secretary shall submit to the Legislature a plan for any*
4 *international trade and investment office proposed to be*
5 *established. The plan shall, at a minimum, do the following:*

6 *(A) Demonstrate the need for state representation in the area*
7 *to be served that cannot be met through existing trade and*
8 *investment networks.*

9 *(B) Define the duties and functions to be carried out by the*
10 *office in collaboration with existing federal, state, local or other*
11 *international trade and investment entities.*

12 *(C) Identify the beneficial impact on the state's businesses,*
13 *workforce, and overall quality of life in this state resulting from*
14 *the establishment of the office.*

15 *(D) Identify how the office will be evaluated, the criteria by*
16 *which the office will be evaluated, and a schedule by which the*
17 *secretary will report to the Governor and the Legislature on the*
18 *success of the office.*

19 *(E) Identify the proposed funding mechanism for the office,*
20 *and if the offices, are to be privately funded or contract offices,*
21 *the proposed oversight practices, and public reporting plans.*

22 *(2) Upon presentation of a proposal for an international trade*
23 *and investment office as described in this subdivision, the*
24 *secretary shall request statutory authorization by the Legislature*
25 *to establish the office.*

26 *(3) Any international trade and investment offices established*
27 *shall not promote international trade agreements nor represent*
28 *the state in international trade agreement negotiations*
29 *undertaken by the federal government.*

30 ~~(e)~~

31 *(e) The secretary may accept private sector moneys in an*
32 *amount not in excess of ten thousand dollars (\$10,000) per*
33 *donation made to the state for the purposes of promoting*
34 *international trade and investment, subject to Title 9*
35 *(commencing with Section 81000), and not in excess of a total of*
36 *ten thousand dollars (\$10,000) per quarter per donor. All private*
37 *sector moneys shall be used for these purposes but the donor may*
38 *specify the international trade and investment office or*
39 *international trade or investment event for which the private*
40 *sector money shall be used. The private sector moneys shall be*

deposited into the Economic Development and Trade Promotion Account, which is hereby established in the Special Deposit Fund in the State Treasury. The secretary may expend moneys in the account, without regard to fiscal years, for the purposes of this section. Moneys in the Economic Development and Trade Promotion Account may be allocated to an international trade and investment office, and if so allocated shall be maintained by that office in an account. Notwithstanding any other provision of law, the secretary may use the private sector moneys for expenses incurred to promote international trade and investment that will directly benefit California business. Records of donations received and expenditures made pursuant to this section shall be ~~subject to public disclosure~~ *made available to the public on the agency's Internet Web site.*

(d)

(f) The international trade and investment office using the funds shall memorialize the payment in a written record as follows:

(1) Identifies the donor and the official or officials receiving or using the payment.

(2) Describes the official agency use and the nature and amount of each payment.

(3) Is filed with the Business, Transportation and Housing Agency that maintains the records of the agency's statements of economic interests, and the filing is done within 30 days of the receipt of the payment by the agency.

(e)

(g) Nothing in this section shall affect any requirement of the Political Reform Act (Title 9 (commencing with Section 81000)).

~~SEC. 2. Section 13997.5 is added to the Government Code, to read:~~

~~13997.5. (a) The Secretary of Business, Transportation and Housing shall establish, on a contract basis, an international trade and investment office in Mexico, to serve the regions of Central and South America, and two offices in Asia, to serve the regions of South and East Asia, respectively.~~

~~(b) The secretary shall report to the Legislature on the success of the international trade and investment offices no later than June 1, 2009. The report shall include, but not be limited to, all of the following:~~

1 ~~(1) The level of investment and tourism directed to California~~
2 ~~as a direct result of the international trade and investment offices.~~

3 ~~(2) The level of imports sent to California as a direct result of~~
4 ~~the international trade and investment offices.~~

5 ~~(3) The level of California exports sent to the regions of~~
6 ~~served by the international trade and investment offices as a~~
7 ~~direct result of the offices.~~

8 ~~(4) A cost-benefit analysis of the international trade and~~
9 ~~investment offices.~~

10 ~~(5) An analysis of the costs and outcomes of the international~~
11 ~~trade and investment office compared with those of other~~
12 ~~international trade and investment offices.~~

13 ~~(e) This section shall be implemented only to the extent that~~
14 ~~funds are available to the Business, Transportation and Housing~~
15 ~~Agency for this purpose from any source, including, but not~~
16 ~~limited to, federal funding and private donations authorized~~
17 ~~pursuant to Section 13997. Private donations made pursuant to~~
18 ~~Section 13997 and specified for the international trade and~~
19 ~~investment offices shall be deposited in a separate subaccount~~
20 ~~within the Economic Development and Trade Promotion~~
21 ~~Account and may be used only for the operation of those offices.~~

22 ~~(d) This section shall remain in effect only until January 1,~~
23 ~~2010, and as of that date is repealed, unless a later enacted~~
24 ~~statute, that is enacted before January 1, 2010, deletes or extends~~
25 ~~that date.~~